



*United States Attorney
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE
HERBERT HADAD, MEGAN GAFFNEY
PUBLIC INFORMATION OFFICE
(212) 637-2600

TWO FRIENDS OF SAMUEL WAKSAL
ARRESTED ON FEDERAL INSIDER TRADING CHARGES

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced today that ZVI FUKS, a/k/a "Zvi Fuchs," a member of the Scientific Advisory Board of ImClone Systems, Inc. ("ImClone") in December 2001, and SABINA BEN-YEHUDA, a/k/a "Sonia Ben-Yehuda," were arrested today on insider trading charges filed in Manhattan federal court, arising from their sales of ImClone stock on the morning of December 27, 2001, after being tipped by ImClone's former chief executive officer, SAMUEL WAKSAL, that the United States Food and Drug Administration (the "FDA") would refuse to accept for filing ImClone's application for approval of its leading pharmaceutical product, Erbitux.

A criminal Complaint unsealed today charges FUKS and BEN-YEHUDA each with conspiracy to commit securities fraud and with securities fraud. According to the Complaint, on the evening of December 26, 2001, SAMUEL WAKSAL learned that a source within the FDA had advised ImClone that on December 28, 2001 the FDA would issue ImClone a letter refusing to accept for filing ImClone's

Biologics Licensing Application for Erbitux. WAKSAL is currently serving a sentence of 87 months in prison after pleading guilty to charges that he, among other things, caused his daughter on the morning of December 27, 2001 to sell all of the 39,472 shares of ImClone stock in her account, yielding proceeds of approximately \$2.4 million, and attempted to sell 79,797 shares of ImClone stock from an account in his name.

According to the Complaint, on the morning of December 27, 2001, before the opening of the market, WAKSAL also tipped BEN-YEHUDA that he had heard that it was highly likely that ImClone would receive a "Refusal to File" letter from the FDA, and that he felt that such a letter would have an adverse effect on ImClone's stock price. The Complaint further alleges that BEN-YEHUDA asked whether she should inform FUKS of this information, and WAKSAL told BEN-YEHUDA that she should inform FUKS. BEN-YEHUDA and FUKS had a very close personal relationship, according to the Complaint.

Before the market opened, FUKS allegedly placed an order to sell all of the ImClone stock he held in his account at Bear Stearns, approximately 89,173 shares, yielding proceeds of approximately \$5.3 million. According to the Complaint, before the market opened, BEN-YEHUDA sold all of the ImClone stock that she held in her account at UBS Paine Webber, approximately 1,178 shares, yielding proceeds of approximately \$73,453.

The Complaint alleges that on December 28, 2001, ImClone

received the FDA's Refusal To File letter regarding Erbitux. ImClone issued a press release announcing its receipt of the letter after the close of business on December 28, 2001. The next trading day, the price of ImClone common stock declined by approximately 16%.

FUKS, 68, and BEN-YEHUDA, 51, each live in Manhattan.

FUKS and BEN-YEHUDA were arrested and are expected to be presented later today in Manhattan federal court before United States Magistrate Judge FRANK MAAS.

If convicted, FUKS and BEN-YEHUDA each face a maximum sentence on the conspiracy count of five years in prison, as well as a fine of the greatest of \$250,000 or twice the gross gain or loss resulting from the offense. On the securities fraud counts, FUKS and BEN-YEHUDA each face a maximum sentence of 10 years in prison, and a maximum fine of the greatest of \$1 million or twice the gross gain or loss resulting from the offense.

Mr. KELLEY praised the efforts of the Federal Bureau of Investigation in this matter. Mr. KELLEY also thanked the United States Securities and Exchange Commission - which today filed civil insider trading charges against FUKS and BEN-YEHUDA - for its assistance in the investigation of this case.

Assistant United States Attorney MICHAEL S. SCHACHTER is in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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